STATE OF NEW YORK

11503

IN ASSEMBLY

May 28, 2026

Introduced by M. of A. BORES -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to assessing a separate tax on distributions from designated federal settlement funds

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The tax law is amended by adding a new section 603-a to read as follows:

§ 603-a. Separate tax on distributions from designated federal settlement funds. (a) In lieu of any other tax imposed by section six hundred one of this part, there is hereby imposed for each taxable year a separate tax on distributions from a designated fund received by any resident individual, estate or trust during such taxable year. Such tax shall be equal to one hundred percent of the gross amount of such distributions and shall not be reduced pursuant to any deduction, exemption, or credit otherwise authorized pursuant to law.

(b) For purposes of this section:

(i) "Designated fund" means the federal anti-weaponization fund established pursuant to the settlement agreement in Trump v. Internal Revenue Service, No. 1:26-cv-20609 (S.D. Fla.).

(ii) "Distribution" means any payment, distribution, or monetary transfer received, either directly or indirectly, by a resident individual, estate or trust.

§ 2. This act shall take effect immediately.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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